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July 10, 2002

WRITTEN EX PARTE

Ms Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WC Docket No. 02-150

Dear Ms. Dortch:

On June 21, 2002, KPMG Consulting published the Florida OSS Test Draft Final Report (Report) for Phase I (OSS) and Phase II (Metrics) of the Florida Third Party Test¹. At the request of the staff reviewing BellSouth's pending 271 applications, we are filing the Executive Summary of that Report, as well as BellSouth's responses to those Exceptions that the Report states were "not satisfied."

The results of the Test confirm what this Commission found in the Georgia/Louisiana decision, namely that BellSouth is providing nondiscriminatory access to its OSS. In Phase I, BellSouth satisfied 94% of the evaluation criteria. Three percent of the OSS evaluation criteria are still in progress and 3% of the OSS evaluation criteria are not satisfied. Based on these figures, BellSouth's success rate for completed evaluation criteria is 97%. This success rate, particularly in light of the breadth and depth of the Florida test, conclusively corroborates the extensive commercial data evidencing BellSouth's compliance with Checklist Item 2.

To provide the Commission with additional information on KPMG Consulting's findings, BellSouth is providing the Executive Summary describing each Test Domain from the Report. The Executive Summary is attached to this letter.

A review of the few "not satisfied" OSS evaluation criteria further confirms BellSouth's successful performance on the Test in that none of the "not satisfie" constitutes an

¹ Phase II of the Test, the metrics portion, is described in the report largely as "Testing in Progress" due to the implementation of PMAP4.

impediment to a CLEC's ability to compete in Florida or any other state in BellSouth's region. A brief description of each "not satisfied" evaluation criteria and BellSouth's response follows:

♦ **Change Control**

Exception 88 - The BellSouth Change Control Prioritization process does not allow CLECs to be involved in prioritization of all CLEC impacting change requests.

BellSouth Response - BellSouth has proposed numerous changes to the Change Control Process to address the issues identified by KPMG Consulting. The CLECs have adopted several of the changes, but there are a few, particularly related to the prioritization of change requests, upon which the parties have not reached consensus. In the Report, KPMG recognized the CLECs' refusal to accept BellSouth's proposal and stated specifically in the Report that BellSouth's proposal, if implemented, would address KPMG Consulting's concerns raised in Exception 88 and three of the four currently not satisfied evaluation criteria in the PPR1 test in the report.²

With respect to prioritization, BellSouth will allocate one-half of planned production releases to the CLEC community. The CLECs will prioritize CLEC and BellSouth change requests, (Type 4s (optional) and Type 5s) for their release according to their business needs. BellSouth will not have input into this process. However, BellSouth agrees with the CLECs that Regulatory Changes (Type 2s) and Defects (Type 6s) will be implemented ahead of CLEC-Initiated Changes (Type 5s) and any Type 4s that the CLECs elect to include in their production releases. If they so elect, the Type 4s would be prioritized with the Type 5s after the 2s and 6s. (This has not been accepted by the CLECs, but has been adopted in order to move forward with 2003 release planning.)

BellSouth will utilize the remaining half of planned production releases. BellSouth will prioritize and implement its half of the releases according to its business needs. BellSouth will likewise implement Type 2s and 6s ahead of Type 4s. BellSouth may include Type 5s in its production releases, but if it chooses to do so, Type 5s would be implemented after the 2's and 6's in accordance with the aforementioned agreement between BellSouth and the CLECs. (This has not been accepted by the CLECs, but has been adopted in order to move forward with 2003 release planning.)

In addition to these proposals, BellSouth has developed internal processes to accomplish all these tasks in the event that all aspects of the proposal were to be accepted. The internal processes are described in a draft method and procedures document entitled, *End-to-End Process Flow, Version 2.1*. KPMG

² The specific evaluation criteria are PPR1-3, PPR1-4, and PPR1-8.

Consulting has reviewed the outstanding proposals along with the draft document. In its Final Report, KPMG Consulting issued the following statement of approval, "the BellSouth proposed prioritization process, along with the draft End-To-End Process Flow, Version 2.1, if implemented as described, would provide CLECs with a process to conduct mutual impact assessment and resource planning. Further, the process would allow CLECs a framework to evaluate, categorize, and prioritize Change Request that affect them."

The Florida Public Service Commission Staff has also commented favorably on BellSouth's latest proposal and the internal process that would support it. In its recommendation dated June 27, 2002, the Staff concludes, "Staff recommends that at present, the "50/50" proposal, as reflected in the attached document entitled *End-to-End Process Flow, Draft Version 2.1*, be implemented by BellSouth to resolve the Change Control Process impasse." The Florida Commission should consider this recommendation during its July 23, 2002 agenda session.

Exception 123 - BellSouth is not classifying Change Requests as defects in accordance with the BellSouth definition of a Defect.

BellSouth Response - BellSouth has revised internal documentation, introduced a job aid and conducted employee training sessions to ensure that both BellSouth and CLEC-initiated defects are classified in accordance with the definition of CLEC-affecting in the Change Control Process, and that they are communicated through the Change Control Process. BellSouth believes the additional training, the creation of a job aid documentation, and the revisions to internal documentatio address any concerns associated with this issue.

♦ **Order Management**

Exception 161 – KPMG Consulting has not received timely Non-Mechanized rejects from BellSouth.

BellSouth Response - BellSouth disagrees with KPMG Consulting's exception in that KPMG Consulting included in its production retest of the non-mechanized interface complex products and services that are submitted to the Complex Resale Services Group (CRSG). The 0-8 ordering measure, however, which BellSouth allegedly failed, applies exclusively to orders handled by the Local Carrier Service Center (LCSC). Thus, complex orders handled by the CRSB should not have been included in the KPMG Consulting test results. When the CRSB transactions are excluded, BellSouth returned 100% of the non-mechanized rejects within the benchmark. In addition, while BellSouth did not pass the second production retest on this issue, BellSouth had previously passed both an original test and a subsequent retest on this

evaluation criterion. Finally, in each of the four manual volume tests, BellSouth provided error/clarification responses above the 85% benchmark. Thus, there are ample test data to demonstrate that BellSouth provides manual rejects in a timely manner.

Exception 165 – BellSouth provides inconsistent and incorrect information on Clarification (CLR) responses for Resale, UNE-P, and UNE Loop service requests.

BellSouth Response - First, BellSouth passed (meeting the 95% KPMG Consulting benchmark) this evaluation criterion in both the original test and the first retest. Thus, there was no need for the second retest addressed in this exception. Second, although KPMG Consulting initially reported performance of 83%, KPMG Consulting later agreed with BellSouth that the performance was actually 89%, see page POP-67 of the Florida OSS Test Draft Final Report. Third, 1/3 of the inaccurate responses in this exception were the result of a single test scenario that is rare in the commercial market. Specifically, KPMG Consulting tested a scenario in which the end-user requested a disconnect on the main telephone number of a multi-line business account. While business customers do disconnect second lines that are no longer needed, business customers typically want to retain their main telephone number that is published and used by their customers. Finally, BellSouth will resolve the majority of the inaccurate responses by updating the usage rules for specific fields in the BellSouth Business Rules – Local ordering (BBR-LO) through the change control process.

- ♦ **Flow Through**

Exception 121 – KPMG Consulting could not identify flow through Firm Order Confirmations (FOC) on Local Number Portability (LNP) Local Service Requests (LSR) submitted electronically via the mechanized ordering process.

BellSouth Response - According to Ordering 0-3 of the Service Quality Measurement Plan, BellSouth should issue a flow through FOC on 85% of LNP LSRs submitted through mechanized ordering processes. During production re-testing of the Telecommunications Access Gateway (TAG), Electronic Data Interchange (EDI), and Local Exchange Navigation system (LENS) interfaces, a number of LSRs submitted by KPMG Consulting fell out for unexpected manual intervention.

Upon BellSouth's investigation, it was determined that of the 66 PONS sent to review, 56 of them had conditions which classified them as planned manual fallout, leaving 10 that should have processed mechanically but did not. As a result, BellSouth's flow through rate for the test was 86%, which exceeds the 85% benchmark.

KPMG Consulting issued an amended Exception on 6/6/02 based on a retest from 2/15/02 to 5/23/02. They found a flow through rate of 76.5% based on 34 transactions. The 8 LSRs listed in the amendment were all submitted on a single billing account. The CSR for the billing account contained two virgules (/) in the listed field, instead of one virgule (/). These invalid data on the CSR caused the 8 LSRs listed above to fall out for manual intervention. The CSR data was corrected on 05/08/02.

The LSRs listed in this exception were submitted within 3 days (03/21/02, 03/22/02 and 04/25/02) on a single account. Ordering O-3 measures the percentage of LNP LSRs that flow through for an entire month. BellSouth's commercial data available through SQM reports provides a complete view of Ordering O-3 results for LNP. BellSouth's results for January 2002 through April 2002 are 92.81%, 94.12%, 92.25% and 92.59% compared to a benchmark.

Exception 122 – BellSouth did not provide flow-through classification information for Digital Subscriber Line (DSL) orders submitted by KPMG Consulting.

BellSouth Response - As part of the "Flow-Through" Evaluation, KPMG Consulting found that xDSL PONs were not being reported on the LSR Detail Report. BellSouth will implement a feature in Release 10.6 on 8/25/02 so xDSL flow-through data will be added to the LSR detail report. This is simply a product reporting issue that has no impact to a CLEC's ability to submit xDSL PONs to BellSouth. This Exception should be closed since this is a Metrics report issue and is captured in Exception 113.

Exception 136 – KPMG Consulting did not receive flow through firm order confirmations (FOC) on unbundled network element (UNE) local service requests (LSR) submitted electronically via the mechanized ordering process.

BellSouth's Response - KPMG Consulting did rate as "satisfied" both Residential and Business Resale flow through. BellSouth's overall flow through results show that BellSouth's flow through performance remains strong. This is most clearly demonstrated by flow through data for CLECs that submit large numbers of requests and yet maintain high flow through rates. In fact, three of the top five CLECs measured by electronic LSR volume in the region for the first quarter 2002 have flow through rates ranging from 90.19% to 94.64%. BellSouth's commercial Flow Through data show BellSouth exceeds the benchmark for LNP Flow Through and is close to meeting the UNE benchmark.

Additionally, an analysis of the March 2002 Percent Flow Through Service Requests (Aggregate Detail) report reveals that 246 users experienced a flow

through rate in excess of 90%.³ The number of CLECs experiencing higher flow through rates demonstrates that BellSouth is providing CLECs with electronic interfaces capable of accepting flow through eligible requests.

BellSouth remains committed to improving flow through rates for products ordered by CLECs. In February 2001, BellSouth and the CLECs established the cooperative Flow Through Task Force ("FTTF"), which operates as a subcommittee of the CCP. The FTTF analyzes UNE and Resale LSRs to identify ways to improve flow through and reduce fall out. The objective of the FTTF is to enhance the flow through of electronic orders, document those enhancements, and develop a schedule for implementing the enhancements. BellSouth has published a Flow Through Improvement List that identifies those flow through improvement features, errors, and defects that have already been implemented or are targeted for implementation in the next release, Release 10.6. A total of thirty-five items have been identified, thirty-one of which have already been implemented. In addition, flow through change requests initiated by the FTTF will be treated as Type 2 mandates, thus receiving the highest priority rating in the change control process. These efforts will enhance BellSouth's ability to meet the benchmarks established by the Florida Commission.

Also, on June 27, 2002 the Florida Staff recommended that BellSouth file a specific action plan by July 30, 2002, designed to further improve the flow-through Service Quality Measure (SQM) to achieve the mandated benchmarks by October 30, 2002 and adjust the Self-Effectuating Enforcement Mechanism (SEEM) for the flow-through metric. The Florida Public Service Commission adopted the Staff's Recommendation in its July 9, 2002 Agenda.

♦ **Release Defects**

Exception 157 – BellSouth fails to follow its software testing and quality guidelines.

BellSouth's Response - As for KPMG Consulting's criticisms regarding Releases 10.2 and 10.3, BellSouth investigated KPMG Consulting's findings, which focused on some BellSouth internal testing documents, and disagreed with KPMG Consulting's conclusions in Exception 157. BellSouth does not believe that these documents support KPMG Consulting's conclusions because the documents do not evidence any failure to test, but rather just indicate the risks inherent in expediting timeframes for implementing the release. The documents, which are proprietary, are attached as Exhibits

³ The term "user" instead of "CLEC" is applied when referring to a horizontal line of data represented on the Flow through Report, because each line of data represents an Operating Company Number ("OCN") and some CLECs have multiple OCNs. Thus, on the Flow Through Report, two or more users may represent a CLEC's total data.

WNS-22 through WNS-25 to the Affidavit of William N. Stacy filed with BellSouth's application on June 20, 2002.

As described in more detail in paragraphs 140-143 of the Affidavit of William N. Stacy, BellSouth follows the industry standard model for testing software. Both Release 10.2 and 10.3 met BellSouth's testing and quality standards. Release 10.5, which was originally scheduled for implementation May 17-18, 2002, did not. During the week before the release, BellSouth identified six severity level two defects for which BellSouth could not implement adequate workarounds before May 17, 2002.⁴ Because of this, and to ensure that the release met the quality standards to which BellSouth committed, and that the CLECs had additional time to test the release, BellSouth delayed the implementation of Release 10.5. The CLECs were notified of the delay via the carrier notification process. On June 1-2, 2002, BellSouth implemented Release 10.5 with two severity level 3 defects, which have been described to the CLECs in change requests CR0800 and CR0801.⁵

As described in more detail in paragraphs 144-147 of the Affidavit of William N. Stacy, filed on June 20, 2002, immediately after the implementation of Release 10.5, BellSouth began routine post-implementation monitoring and testing to insure that the installed software was functioning properly in production. Over the next several days, BellSouth identified specific situations in which the software was not functioning exactly as expected. The CLECs were notified via defect notifications and the associated change requests, and also via the daily change request report that is emailed to the CCP participants.⁶ KPMG Consulting has amended Exception 157 to include criticisms related to Release 10.5. As in BellSouth's original response to Florida Exception 157, BellSouth has investigated KPMG Consulting's findings and disagrees with KPMG Consulting's assessment. BellSouth has followed its software testing and quality processes for each release.

The items that were detected and corrected can be grouped into two categories. First, there was a group of nine corrections after Release 10.5 was placed into production that affected one to ten LSRs that were in progress during the transition from software version 10.4 to 10.5.⁷ Although BellSouth performs extensive testing of the new functionality in each release, the regression testing required to test every possible combination of "in-progress" orders is simply not possible. The testing that BellSouth performs focuses on the large variety of LSRs that CLECs will submit after BellSouth implements the new software, and on the new functionality added during a release. At any

⁴ Severity level two means that system functionality is degraded with serious adverse impact to the user and there is not an effective work-around.

⁵ Severity level three means that system functionality is degraded with a moderate adverse impact to the user but there is an effective workaround.

⁶ The defect notifications are posted at http://www.interconnection.bellsouth.com/markets/lec/ccp/ccp_t6dn.html.

⁷ These are change requests CR0803, CR0806, CR0808, CR0811, CR0821, CR0822, CR0823, CR0831, and CR0832.

given time, during a software change weekend there are only a few hundred orders "in progress" in the OSS, and each of these can be manually checked by the LCSC more easily than attempting to build test cases to identify low-volume, unique occurrences. Additionally, any issues related to orders in progress when the conversion is made would be cleared in a two to three day period following implementation, and would not affect future production software. As a result, these issues are treated as one-time exceptions. In the past, these sorts of issues have not been assigned defect status, but given the scrutiny of BellSouth's OSS by both federal and state commissions, BellSouth decided to publish all CLEC-impacting issues as defects, even if they were transitory, and related only to a few orders in progress during the software conversion period.

Second, there were five actual defects that were detected and corrected in this same period, as discussed in paragraph 146 of the Affidavit of William N. Stacy, filed on June 20, 2002. These defects had the potential to or did affect more local service requests (LSRs) than the nine described above. These five defects are described below:

- Defect CR0802 was an error causing some Loop Make Up inquiries and firm order requests submitted from LENS to fail unexpectedly. This feature had been tested extensively in the pre-production environment and had not shown this failure. The defect was corrected on June 3, 2002 with a software patch. This defect caused approximately 1,500 LMU inquiries and/or firm orders to fail and required the CLECs to resubmit the requests.
- Defect CR0804 produced an error code that was being set incorrectly for resale and UNE-P migration orders conversion and specified orders when the LSR CLEC OCN and the OCN on the CRIS record did not match. This feature had been tested extensively in the pre-production environment and was available in CAVE for testing by the CLECs and had not shown this failure. BellSouth believes it was not detected because BellSouth's test cases are executed using "test" CLEC OCN accounts and CSRs with the same OCN data. The defect was corrected on June 3, 2002 with a software patch. This defect caused approximately 6,000 LSRs to be rejected in error and required the CLECs to resubmit them.
- Defect CR0805 - an error code was causing some LSRs to be auto-clarified, even though the LSRs contained the correct information. This feature had been tested extensively in the pre-production environment and was available in CAVE for testing by the CLECs and had not shown this failure. BellSouth believes it was not detected because this situation only occurred when the existing account was a QuickService account, and there were no QuickService accounts in BellSouth's test suite. A QuickService account is associated with a disconnected line that still physically has dial tone to assist with reuse of existing physical

facilities. This defect was corrected on June 4, 2002 with a software patch. This defect caused approximately 925 LSRs to be rejected in error and required the CLECs to resubmit them.

- Defect CR 0807 - Supplemental orders placed on LSRs submitted before Release 10.5 were being routed to the wrong exception handling tool for the LCSC. This issue is similar to the issues associated with the in progress LSRs that led to the first category of defects discussed above. Although BellSouth performs extensive testing of the new functionality in each release, the regression testing required to test every possible combination of "in-progress" orders is simply not possible. Additionally, any issues related to orders in transition would be cleared in a two to three day period following implementation, and would not affect future production software. As a result, these issues are treated as one-time exceptions. In the past, these sorts of issues have not been assigned defect status, but given the scrutiny of BellSouth's OSS by both the Commission and DOJ, BellSouth decided to publish all CLEC-impacting issues as defects, even if they were transitory, and related only to a few orders in progress during the software conversion period. The defect was corrected on June 6, 2002 with a software patch. This defect caused up to 300 LSRs to be handled manually by the LCSC that should have been processed as flow-through orders.
- Defect CR0812 - On certain types of orders, no completion notice was sent to the CLEC. This situation occurred only on certain LSRs that had been submitted before the implementation of 10.5 but for which the actual service order completion occurred after the implementation of the release. This situation only happened when an auto-clarification had been sent and only when the auto-clarification was produced from a certain module in BellSouth's architecture. This problem was corrected on June 8, 2002. This defect caused completion notices for approximately 50-182 LSRs to be delayed until the software fix was in place.

The total impact of all these defects is minor because they did not inhibit the CLECs' smooth transition to release 10.5; either they were related to a few orders that were caught in the transition period between the software versions, which occurred on June 1 and 2, 2002, or they were corrected quickly once they were detected. Since this timeframe, while limited additional defects in Release 10.5 have been identified, none evidences a failure to adequately test new software prior to implementation.

In Exception 157 and the related test criteria, KPMG Consulting has criticized BellSouth for not following the documented testing and quality processes. KPMG Consulting feels that not following the process may affect a CLEC's ability to efficiently execute transactions with BellSouth, resulting in CLEC customer dissatisfaction. Although BellSouth acknowledges that the defects

create some inconvenience for the CLECs, those defects do not prevent access to critical system functionality since workarounds were established, as required by CCP. Also, BellSouth disagrees with KPMG Consulting's assessment as documented in Exception 157. BellSouth has an ongoing commitment to continue to provide quality releases and software development activities with its associated interfaces for its CLEC Customers.

Because of efforts by BellSouth internally, which are described below, and by BellSouth and the CLECs together as part of their review of change management, BellSouth believes the number of software defects will decrease.

First, as an additional effort to enhance defect mitigation for production releases, BellSouth hired a third party vendor in June, 2002 to expand the number of test deck cases used during BellSouth's internal release testing. This vendor will provide the expanded test deck to the BellSouth software and application partners who support the systems and applications for their testing use during release development and testing. In addition, the vendor will submit the expanded test deck into the CAVE testing environment, which is used by the CLECs, after a release is introduced for CLEC testing. This will provide an additional testing "checkpoint" to identify any defects, and assess whether there are any additional defects from the vantage point of a customer or CLEC. This means that the expanded set of test cases will be used first, internally for systems testing, and then the same test cases will be tested in CAVE to insure that the CAVE environment mirrors the internal test environment and the production environment. The same test cases will be made available to the CLECs for their use in CAVE.

Second, as described in paragraphs 115-124 of the Affidavit of William N. Stacy, filed on June 20, 2002, issues relating to CLEC testing and the testing environment, CAVE are part of the review of the Change Control Process ("CCP") that is occurring under the auspices of the Georgia Commission. As part of this review, BellSouth has proposed to let the CLECs that have tested a release in CAVE recommend that the release go forward as scheduled, or that BellSouth defer implementation to a later date. In order for the CLECs to cast a vote to defer, they must be affected by one of the following conditions: an unresolved validated severity level 1 defect or an unresolved validated severity level 2 defect.⁸ Under BellSouth's proposal, BellSouth would then use this recommendation, combined with the recommendations of its quality assurance testing teams and the information collected during the pre-release testing cycle to make a final decision as to whether to implement the release on the targeted date. Thus far, the CLECs have not accepted BellSouth's proposal, although it is still under consideration.

⁸ Severity level one means that there is a complete system outage and/or is detrimental to the majority of the development and/or testing efforts. Severity level 2 was defined in a footnote above.

In addition, during its internal testing BellSouth will provide the CLECs with information on the defects found. Thus, starting one week before the CAVE deployment date for Release 10.6, which is August 25, 2002, BellSouth will begin publishing a pre-release testing status report daily. This report will initially address all release-specific unresolved defects affecting CLECs that are found by the internal quality assurance testing groups. Information will include the nature of each defect, severity, and workaround information (if known). BellSouth will update this report daily until the production implementation of the release. The updated reports will identify any new defects affecting CLECs that are found either by BellSouth's internal testing teams or by CLECs that are testing in the CAVE environment as well as status updates on existing defects.

To further address this issue, the Florida PSC Staff issued a staff recommendation in which it suggested the implementation of three new Service Quality Measures (SQMs) dealing with software defects. The new measures focus on the number of defects associated with releases, the duration associated with defect correction and software validation. The Florida Commission voted to adopt the Staff Recommendation during its July 9, 2002 agenda session, and the measures will be implemented by August 1, 2002.

- ♦ **Provisioning**

Exception 84 – BellSouth failed to use the proper codes when provisioning switch translations.

BellSouth's Response - The test scenario associated with this exception is rarely encountered in the business environment and thus has no meaningful impact on a CLEC's ability to compete in the local market. Specifically, KPMG Consulting again tested a scenario in which the end user requested to disconnect the main telephone number of an existing multi-line business account and to reassign a secondary line as the main line. While such a scenario is possible, a business customer would not typically disconnect its main telephone number that is published to, and used by, its customers. Even though this scenario is rare, BellSouth has opened a change request to update the business rules for disconnecting the main telephone number of an existing multi-line account as well as updated methods and procedures for its service representatives. Thus, this rare commercial ordering issue will be resolved.

Exception 171 – BellSouth's systems or representatives have not consistently updated the directory databases as specified in orders submitted by KPMG Consulting.

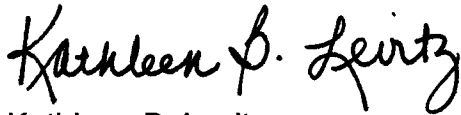
BellSouth's Response - KPMG Consulting's conclusion that BellSouth failed to consistently update the directory databases was based in significant part (13% of the transactions) on the same unlikely test scenario described above. When

this commercially insignificant test scenario is excluded, BellSouth's performance was 98.5%, well above KPMG Consulting's 95% benchmark. To address the remaining 1.5%, BellSouth will open a change request to include the community name, when appropriate, for New Directory Listing orders. This change request will address these orders, although this small number of errors is not commercially significant.

As this brief discussion makes clear, these "not satisfied" evaluation criteria have no meaningful impact on a CLEC's ability to compete. Moreover, they are particularly insignificant in light of the 97% success rate on the extensive test.

In accordance with Section 1.1206, I am filing two copies of this notice and the accompanying attachment and request that you please place them in the record of the proceeding identified above. Thank you.

Sincerely,

A handwritten signature in black ink, reading "Kathleen B. Levitz". The signature is written in a cursive, flowing style.

Kathleen B. Levitz

Attachment

cc: Michelle Carey
Greg Cooke
Aaron Goldberger
Heidi Kroll
Pam Slipakoff
Gina Spade
Susan Pié
James Davis-Smith

II. Executive Summary

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A. Introduction

1.0 Background

The Florida Public Service Commission (FPSC) will be considering the matter of BellSouth's compliance with the requirements of Section 271 of the Telecommunications Act of 1996 (TA-96) in the manner specified in the FPSC's Docket No. 960786-TL.

Specifically, the FPSC has used this docket to consider whether BellSouth has met the 14-point checklist in Section 271. The Telecommunications Act of 1996, together with the Federal Communications Commission (FCC) interpretations, requires BellSouth to:

- ◆ Provide non-discriminatory access to its Operations Support Systems (OSS) on appropriate terms and conditions;
- ◆ Provide the documentation and support necessary for Alternative Local Exchange Carriers (ALEC) to access and use these systems; and
- ◆ Demonstrate that its systems are operationally ready and provide an appropriate level of performance.

Compliance with these requirements is intended to allow competitors to obtain pre-ordering information; execute service orders for resale services, Unbundled Network Elements (UNE), and UNE-Platform (UNE-P); manage trouble reports; and obtain billing information in a way deemed non-discriminatory when compared with BellSouth's retail operations.

On August 8, 1999 the FPSC implemented Phase I of third party testing of BellSouth for the state of Florida in Order No. PSC-99-1568-PAA TP. Phase I required KPMG Consulting to develop the State of Florida Public Service Commission, BellSouth Telecommunications, Inc. OSS Evaluation Project Master Test Plan (MTP) to identify specific testing activities necessary to demonstrate non-discriminatory access and parity of BellSouth systems and processes.

On January 11, 2000 the FPSC approved the MTP and selected KPMG Consulting as the Phase II Test Manager in Order No. PSC-00-0104-PAA-TP. Phase II required KPMG Consulting to conduct an independent third-party test, as defined by the Master Test Plan, of the readiness of BellSouth's OSSs, interfaces, documentation, and processes to support local market entry by the ALECs.

The following report reflects the findings of the evaluation.

2.0 Objective

The objectives of this Executive Summary are to provide the following:

- ◆ A high-level description of the process KPMG Consulting followed to evaluate BellSouth's policies, procedures, documentation, interfaces, and systems; and
- ◆ A summary of the results of testing activities.

3.0 Audience

KPMG Consulting anticipates the audience for this document will fall into two main categories:

- ◆ Readers who will use this document during an evaluation process (i.e., the FPSC, FCC, and U.S. Department of Justice (DOJ)); and

- ◆ Other interested entities who have some stake in the result of BellSouth's OSS evaluation and wish to have insight into the test results (e.g., BellSouth, ALECs, and other ILECs).

While many of the above entities have stated an interest in the test and its results, only the FPSC, KPMG Consulting and BellSouth are actual parties to the contract for this evaluation. Third-party reliance on this report is not intended and is explicitly prohibited. It is expected that the FPSC will review this report in forming its own assessment of BellSouth's compliance with the requirements of the Telecommunications Act.

4.0 Scope

The scope of the test is documented in the State of Florida Public Service Commission, BellSouth Telecommunications, Inc. OSS Evaluation Project – MTP dated December 2, 1999.

The initial MTP was developed by KPMG Consulting and submitted to the FPSC on December 2, 1999. Significant input from the FPSC, BellSouth, and various ALECs was solicited, received, and considered during the MTP development period. BellSouth and ALEC business plans and projections were also reviewed during construction of the MTP.

In determining the breadth of the test, all stages of the ALEC/ILEC relationship were considered, including the following:

- ◆ Establishing the relationship;
- ◆ Performing daily operations; and
- ◆ Maintaining the relationship.

Furthermore, the current service delivery methods (i.e. resale, UNE, and UNE-P) were included in the scope of the test (see Section 6.0, Limitations below).

KPMG Consulting tested different interface types for transactions including: the application-to-application Electronic Data Interchange (EDI); the terminal-type, web-based graphical user interface (GUI) and manual fax submission. Specific interfaces included in the OSS Test included: Trouble Analysis Facilitation Interface (TAFI), Electronic Communication Trouble Administration (ECTA), Local Exchange Navigation System (LENS), Telecommunications Access Gateway (TAG)¹, Electronic Data Interchange (EDI), Optional Daily Usage File (ODUF), Access Daily Usage File (ADUF) and Billing Output Specification Bill Data Tape (BOS-BDT).

Non-transaction testing included evaluations of policies, procedures, guidelines, training, documentation, and work center activities associated with the ALEC/ILEC relationship management process. When required by the MTP, these non-transaction tests included assessments of whether parity exists between wholesale and similar retail processes to the extent retail analogs are available.

Finally, the test included procedures designed to evaluate BellSouth's ability to accommodate increased ALEC business volumes based on demand projections determined at the start of the test.

¹ As of April 3, 2002, the FPSC removed RoboTAG from the Florida OSS test (Order # PSC-02-0450-PCO-TP) because BellSouth no longer supports the application.

The FPSC's Project Manager revised the scope of the MTP on several occasions. The FPSC's Project Manager made these changes in response to evolution in the industry, experience gained in preceding state tests or regulatory emphasis by the DOJ and FCC. For example, the scope of the MTP was expanded to include tests related to Line Sharing and Line Loss Reporting.

5.0 Approach

The test approach is described below.

5.1 Test Families/Domains

To organize and facilitate testing, the MTP was divided into the following three test families:

- ◆ Policies and Procedures Review (PPR);
- ◆ Transaction Validation and Verification (TVV); and
- ◆ Performance Metrics Reporting (PMR).

These three tests families were useful in organizing the areas to be tested and the specific tests to be conducted. The first test family, PPR, included KPMG Consulting's review of BellSouth's wholesale business rules and management practices. The transaction-based tests conducted through KPMG Consulting's pseudo ALEC comprised the TVV test family. ALECs operating in Florida were also solicited to provide transaction-based facilities that could not be created in the pseudo ALEC environment (e.g. Local Number Portability or LNP). The PMR test included review of the metrics business rules and review of the data collection and reporting functions performed by BellSouth to measure the performance of their wholesale operations in comparison to retail operations or other benchmarks.

Tests in the PPR and TVV test families were divided into the following five functional domains:

- ◆ Relationship Management and Infrastructure (RMI);
- ◆ Pre-Order and Ordering;
- ◆ Provisioning;
- ◆ Maintenance and Repair (M&R); and
- ◆ Billing.

Within each test family and domain, evaluation criteria were applied to evaluate BellSouth's performance for specific test targets.

5.2 Test Types

In formulating the approach to testing, KPMG Consulting solicited input from both the FPSC and ALECs. It was important to understand the types of activities that had either previously presented problems or were currently of concern. KPMG Consulting combined this input with its own experience and included it in two fundamental types of tests: transaction-driven and operational. The TVV tests are in the transaction-driven test category and the PPR and PMR tests are in the operational test category.

5.2.1 Transaction-driven Tests

One of the goals of transaction-driven testing was to gain first-hand knowledge of the ALEC experience. To accomplish this goal, a pseudo ALEC was established to build and submit both pre-order and order transactions using BellSouth's electronic interfaces, much like a real ALEC would do. Transaction-driven system testing was used extensively in the Pre-Order and Order, Provisioning, M&R, and Billing domains. Results of the pseudo ALEC transactions and activities formed the basis for most of the observations and exceptions that were identified by the test.

KPMG Consulting's role was that of an ALEC operations group, which included understanding business rules, creating and tracking orders, monitoring BellSouth performance, logging trouble tickets, and evaluating carrier-to-carrier bills. KPMG Consulting also had the role of the ALEC Information Technology group, which included establishing connectivity and transaction capability with BellSouth for the following interfaces: EDI, TAG, LENS, ECTA, TAFI, and ConnectDirect for receipt of ODUF, ADUF and BOS/BDT files. The Information Technology group provided translations between business and EDI rule formats and aided KPMG Consulting in resolving problems with missing orders and responses.

Most of the Pre-Order and Order, Provisioning, and many of the Billing transaction-driven tests used the EDI and TAG interfaces that were built by KPMG Consulting based on publicly available BellSouth specifications. LENS was also used to submit selected transactions. Manual orders were submitted via facsimile (fax) or email. M&R trouble tickets were submitted using either ECTA or TAFI. Billing information was exchanged using ConnectDirect for receipt of the ODUF, ADUF and BOS-BDT files.

Live ALEC test cases provided an alternative test method for transactions that were not practical in the test environment (see Section 6.0, Limitations below). Moreover, live ALEC test cases facilitated a different perspective on actual production. Live ALEC production was also monitored during the test period to assess the performance and service levels experienced by ALECs during the test.

Different scenarios were used to structure transaction testing of BellSouth's OSS and related support services. An example of a scenario included migration as-is of a single line residence customer from BellSouth to the pseudo-ALEC. Some scenarios were specific to a particular domain, while others spanned multiple domains providing an end-to-end test of BellSouth's systems and processes. Variations of each scenario were executed to test a range of feature/function combinations, and to reach desired transaction volume levels.

5.2.2 Operational Tests

Operational tests focused on the form, structure, and content of the business process under evaluation. This test method was used to evaluate BellSouth's day-to-day operations and operational management practices, including policy development, procedural development, and procedural change management.

In many cases, operational analysis methods were used to evaluate the results of a process to determine if the process was followed and functioned in accordance with documentation and expectations. KPMG Consulting also reviewed management practices and operating procedures, comparing the results against legal, statutory, and other written requirements.

5.3 *Military-style Test Philosophy*

This test was conducted with a military-style test philosophy. The concept was to report problems discovered during the test, providing BellSouth an opportunity to correct those problems and, where feasible, for KPMG Consulting to conduct a retest or follow-on assessment. Two channels for reporting those problems were observations and exceptions. The observation and exception process is defined below.

- ◆ If a problem was encountered during the test, KPMG Consulting informed the FPSC and BellSouth by creating written observations or exceptions describing the problem and providing an assessment.
- ◆ An observation was created if KPMG Consulting determined that a test revealed a deficiency, defect or error in one of BellSouth's practices, policies, or systems characteristics and might result in a negative finding in the final report.
- ◆ An exception was created if KPMG Consulting determined that a test revealed one of BellSouth's practices, policies, or systems characteristics was not expected to satisfy one or more of the evaluation criteria without corrective action and would result in a negative finding in the final report.
- ◆ The FPSC, KPMG Consulting, and BellSouth discussed observation and exception status weekly. ALECs were invited to monitor the calls as observers, as well as ask clarifying questions.
- ◆ ALECs were able to view observations and exceptions on the FPSC website as well as provide input informally to the FPSC.
- ◆ Some observations were escalated to exceptions. Not all exceptions were initially identified as observations.
- ◆ BellSouth responded to both observations and exceptions in writing. These responses described either a clarification of the issue or BellSouth's intended fix(es) to the problem(s). The FPSC posted BellSouth's responses to its website.
- ◆ KPMG Consulting was responsible for determining if an exception was resolved. If in responding to an exception, BellSouth made a change to a process, system, or document, KPMG Consulting retested as appropriate. With the approval of the FPSC staff, resolved exceptions were closed.
- ◆ If an exception was not resolved, the cycle continued to: i) iterate until closure was reached; ii) indicate that no further action was warranted; or iii) dispose if the FPSC specifically exempted the exception from further testing.

Military-style testing completed at the sole discretion of the FPSC.

Because of the extended time involved in these activities, it was not always possible or practical to retest all activities within the scope of this test. During the course of testing, KPMG Consulting submitted 173 exceptions and 206 observations. At the conclusion of this test, 31 exceptions and 20 observations remained open. The FPSC will consider the disposition of such items during the course of its 271 proceeding.

Where retesting was conducted, the results in this report include the outcome of retesting activity.

5.4 *Blindness*

As previously stated, one of the objectives of the test was for KPMG Consulting to gain first hand knowledge of the ALEC experience. Yet it is impossible for any ALEC to totally avoid being recognized by BellSouth. For example, transactions arrive on dedicated telephone circuits, the owners of which are known by BellSouth. Each ALEC has a unique set of IDs assigned by the National Exchange Carrier Association (NECA) that must be included in every transaction.

To partially offset this, KPMG Consulting instituted certain procedures to help ensure that KPMG Consulting would not receive treatment from BellSouth that was different from that received by a real ALEC. For example, KPMG Consulting required that all operational documents be generally available to all ALECs. In addition, the timing and detailed nature of transactions and test calls were not announced in advance to BellSouth. When visits to BellSouth facilities were required, minimal notice was given. Problems were reported using the same Help Desk mechanisms used by the ALECs.

As a further measure, the FPSC monitored telephone calls and attended meetings between KPMG Consulting and BellSouth. A weekly conference call, which included the ALECs, the FPSC, BellSouth and KPMG Consulting, was established to allow the ALECs to obtain information concerning test progress and for them to communicate issues of concern about the test.

5.5 *Evaluation Criteria*

Measures and their corresponding evaluation criteria provided the basis for conducting tests. Evaluation criteria were the norms, benchmarks, standards, and guidelines used to evaluate measures identified for testing. Evaluation criteria provided a framework for identification of the scope of tests, the types of measures that must be made during testing, and the approach necessary to analyze results.

In many cases, the test results were compared against measures and criteria identified by the FPSC, such as the Service Quality Measurements (SQMs) reports, or as outlined in the MTP. In other cases, results were evaluated using the professional judgment of KPMG Consulting. Each evaluation criterion was analyzed individually and has its own associated result and comment. The results fell into the following categories:

- ◆ Satisfied – the evaluation criterion was satisfied.
- ◆ Not Satisfied – the evaluation criterion was not satisfied. Some issues were identified that would have a significant business impact to ALECs. Observations and exceptions may have been raised regarding these issues.
- ◆ Testing in Progress – the evaluation criterion is still open with testing on going. An observation or exception may be unresolved or KPMG Consulting may be waiting for additional information or documentation from BellSouth necessary to finalize the results. KPMG Consulting anticipates that testing and analysis will be complete prior to delivery of the final report, version 2.0. Any evaluation criterion currently having a Testing in Progress result will be reclassified to either Satisfied or Not Satisfied with the issuance of version 2.0 of the final report.

5.6 *Test Bed*

In order to accomplish the transaction testing, BellSouth provisioned a test bed of initial accounts that represented BellSouth retail accounts or other ALEC accounts that would be lost or gained

by the pseudo ALEC and, in some cases, modified to affect customer products and/or services. The test accounts were created in BellSouth's production systems, in actual central offices across Florida, as opposed to a separate simulated test system. KPMG Consulting, the FPSC, and BellSouth cooperated to define the test bed.

6.0 Limitations

The test, representative of an entire ALEC marketplace, was much broader than that likely to be experienced in the near future by any single ALEC. However, the test was not intended to be exhaustive because it is neither feasible nor desirable to test all possible permutations and combinations of all features and functions across all offered products.

In some cases it was not practical to simulate certain order types, troubles, and processes in a test situation. Examples include orders with very long interval periods; provisioning of large volumes of test transactions that would exceed the manual capacity of BellSouth's work centers; or, the complex, time consuming, network design process. In these cases, KPMG Consulting attempted alternative test procedures such as conducting interviews with BellSouth and ALEC personnel; inspection of live orders in process; review of historical performance or operational reports; or another method that captured the performance of BellSouth with respect to the order types and processes in question.

It was neither practical nor desirable to execute certain live tests that would disrupt actual service to BellSouth or ALEC customers. An example is a Maintenance and Repair test that requires an equipment failure. BellSouth performance for these test cases was evaluated by other means. The test reports in each domain section identify the tests that were executed using KPMG Consulting transactions and those that were executed by other means.

B. High-level Test Results

1.0 General

The following general observations span several domains and have been collected here for brevity.

1.1 Results Summary

KPMG Consulting evaluated 1,026 evaluation criteria during the testing period. There were 484 evaluation criteria for the Pre-Order and Order, Provisioning, M&R, Billing and Relationship Management Infrastructure domains. At the time of the draft final report, 456 or 94% of the evaluation criteria for these domains were satisfied. Of the remaining 28 or 6% of the evaluation criteria, 15 or 3% of the evaluation criteria were not satisfied and 13 or 3% are testing in progress. In addition, as a result of the passage of time since data collection, KPMG Consulting is unable to assess the current performance of the underlying systems/or processes for 52 test points.

Additionally, there were 542 evaluation criteria related to performance measure testing where testing is still in progress due to recent implementation of Performance Measurement Analysis Platform (PMAP) 4.0. There are four additional evaluation criteria, in the performance measure area, that are not applicable and are not included in the above count².

1.2 Service Quality

KPMG Consulting believes that the quality of the service received during the test was comparable to that generally received by ALECs.

1.3 New Entrant Certification

BellSouth has a separate systems environment for new entrant certification called the CLEC Test Environment (CTE), which is used during the new entrant certification process. In addition, the CLEC Application Verification Environment (CAVE) test environment is used to test new software releases for ALECs that have completed certification testing and are already in production with BellSouth. As part of KPMG Consulting's new release testing, quality assurance (QA) and systems readiness test (SRT) processes, the CTE and CAVE environments were evaluated for functionality and compliance with published documentation and procedures. KPMG Consulting tested business rule releases for LSOG4 pre-order and order. Each new release required that KPMG Consulting update its test scripts and orders to reflect the new business rules and interfaces.

2.0 Relationship Management and Infrastructure

The RMI domain evaluated BellSouth's processes that support establishing and maintaining relationships between BellSouth and ALECs. The test examined change management, account establishment and management, help desks, ALEC training, interface development, and forecasting. RMI consisted of five tests, all of which were process-oriented. KPMG Consulting evaluated 74 evaluation criteria. Sixty-seven evaluation criteria were satisfied. Seven evaluation

² Four Trunk Group Performance metrics in the Metrics Calculation Verification and Validation Review (PMR5) could not be tested in the pseudo ALEC environment because pseudo ALEC trunk groups did not exist.

criteria were not satisfied. The evaluation criteria that are not satisfied are primarily in the areas of change management and release management.

3.0 Pre-Ordering and Ordering

The Pre-Order and Order domain evaluation was developed to test the systems, processes, and other operational elements associated with BellSouth's support for Pre-Order and Order activities for wholesale operations. The test examined functionality, compliance with measurement agreements, and comparable systems supporting BellSouth retail operations. Pre-Order and Order consisted of five tests, of which three were transaction-oriented and two were process-oriented. KPMG Consulting evaluated 110 evaluation criteria. One hundred six evaluation criteria were satisfied. Three evaluation criteria were not satisfied and one evaluation criterion is testing in progress. The evaluation criteria that are not satisfied are primarily in the areas of flow-through performance and accuracy of responses. The evaluation criterion that is testing in progress is in the area of new Centrex ordering capability.

4.0 Provisioning

The Provisioning domain evaluation was designed to review the systems, processes, and other operational elements associated with BellSouth's provisioning activities used for wholesale markets. The test examined functionality, compliance with measurement agreements, and comparable systems supporting BellSouth retail operations. Provisioning consisted of three tests, of which one was transaction-oriented and two were process-oriented. KPMG Consulting evaluated 113 evaluation criteria. One hundred two evaluation criteria were satisfied. Four evaluation criteria were not satisfied. Seven evaluation criteria remain testing in progress at this time. The evaluation criteria that are not satisfied are in the areas of directory listing, switch translation and intercept messaging. The evaluation criteria that are testing in progress are in the areas of line loss reporting and high capacity circuit provisioning and are pending the receipt of retail data in order to complete high capacity circuit provisioning parity analysis.

5.0 Maintenance and Repair

The primary objective of the M&R domain test was to determine whether adequate procedures, documentation and systems exist to allow an ALEC to identify, report, manage, and resolve troubles encountered with BellSouth supplied network elements. M&R consisted of eight tests, of which five were transaction-oriented. KPMG Consulting evaluated 100 evaluation criteria. All 100 evaluation criteria were satisfied at the time of data collection. However, as a result to the passage of time since data collection, KPMG Consulting is unable to assess the current performance of the underlying systems/or processes associated with 52 evaluation criteria.

6.0 Billing

The Billing domain included tests of both billing procedures and actual bills generated by the Customer Record Information System (CRIS), Carrier Access Billing System (CABS), and Integrated Billing Solution (Tapestry/IBS) systems. Billing consisted of five tests, of which two were transaction-oriented. KPMG Consulting evaluated 87 evaluation criteria. Eighty-one evaluation criteria were satisfied. Six evaluation criteria remain testing in progress at this time. The evaluation criteria that are testing in progress are in the area of UNE rate accuracy.

7.0 Performance Metrics Reporting

The PMR test family evaluated the processes and systems used to capture BellSouth retail and wholesale performance metrics for all domains, including Pre-Order, Order, Provisioning, Maintenance and Repair, Billing, Operator Services, and General. These tests also included a review of the metrics change management and notification processes.

PMR relied on operational and statistical analyses to facilitate a structured review of BellSouth's information processing, metric calculation and reporting procedures. BellSouth introduced a new version of the PMAP 4.0 during testing. At the time of this draft report, PMAP 4.0 was had just become publicly available. As BellSouth begins producing metrics data through the PMAP 4.0 environment, KPMG Consulting will conduct additional testing. PMR consisted of five tests, which contained 542 evaluation criteria. All 542 evaluation criteria remain testing in progress due to the introduction of PMAP 4.0.

In PMAP 2.6 environment, 369 of the 542 (68%) of the evaluation criteria had been satisfied prior to the release of PMAP 4.0.

C. Document Structure

This section describes the structure of the document and includes a list of each section number along with a brief description.

Table II-1: Document Overview

Section Number	Section	Content
I	Document Control	Identifies document distribution and necessary approvals.
II	Executive Summary	Describes the test and provides an overview of the results.
III	Relationship Management and Infrastructure Domain Results and Analysis Section	Describes the relationship management and infrastructure test domain. Provides the detailed test reports related to RMI.
IV	Pre-Order/Order Domain Results and Analysis Section	Describes the pre-ordering and ordering domain. Provides the detailed test reports related to the pre-ordering and ordering.
V	Provisioning Domain Results and Analysis Section	Describes the provisioning domain. Provides the detailed test reports related to provisioning.
VI	Maintenance and Repair Domain Results and Analysis Section	Describes the maintenance and repair domain. Provides the detailed test reports related to M&R.
VII	Billing Domain Results and Analysis Section	Describes the billing domain. Provides the detailed test reports related to billing.
VIII	Performance Metrics Domain Results and Analysis Section	Describes the process performance test section. Provides the detailed test reports related to Metrics.
Appendix A	Statistical Analysis	Statistical analysis for Performance Metrics.

Appendix B	Glossary	Provides a list of terms and definitions used in the report.
Appendix C	Acronym Dictionary	Provides a list of acronyms used in the report.
Appendix D	Exceptions	Provides additional information regarding exceptions issued during the life of the test.
Appendix E	Observations	Provides additional information regarding observations issued during the life of the test.
Appendix F	Summary of Final Report Updates	Matrix summarizing the updates during the period from the June 21, 2002, Version 1.0 release to the July 30, 2002, Version 2.0 release.
Appendix G	Commercial Data Study	Provides information regarding the Commercial Data Study.

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